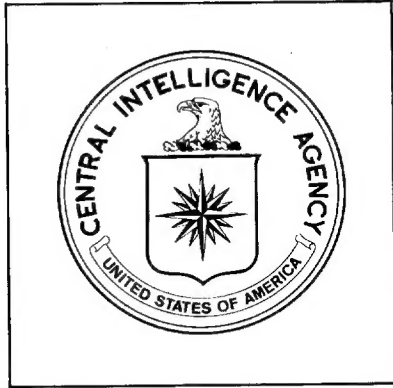


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# STAFF NOTES:

**Middle East  
Africa  
South Asia**

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No. 0685/75  
June 4, 1975

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## MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Ghana*Economic Woes Threaten To Erode  
Regime's Support*

1,4 Criticism of Colonel Acheampong's military  
regime is growing among both soldiers and civilians  
as Ghana's economy continues to decline under the  
impact of rising energy costs, inflation, and falling  
cocoa prices. Opposition elements--dissident  
officers of the Ewe tribe and former officials in  
Prime Minister Busia's civilian government, which  
2 Acheampong overthrew in January 1972--are showing  
signs of greater activity and may try to stir up  
unrest. Also, there are indications that bickering  
within the 10-man ruling council is on the rise, in  
3,4 part because of differences over the policies that  
should be pursued to improve the economic situation.

4 Acheampong is trying to deal with Ghana's  
economic difficulties but is hampered by government  
inefficiency and incompetence. He realizes his gov-  
ernment is particularly vulnerable to charges of  
mismanagement because he justified his overthrow  
3 of the Busia government on just such charges.

2 For now, the junta's grip on power still seems  
intact and the security forces are keeping close tabs  
on suspected plotters. General Okai, the chief of  
the defense staff, has been holding meetings with  
field grade officers, an important part of the  
regime's power base, to try to convince them that  
Ghana's economic problems are not as bad as rumored.  
At these meetings, officers have been briefed on the  
steps the government is taking or plans to take to  
deal with the economic situation. The blame for  
Ghana's woes is put primarily on worldwide economic  
conditions and on "sabotage" by hoarders and smugglers.  
The patience of the officers corps may be put to a  
test next month when General Okai reportedly will  
4 propose a sizable reduction in the armed forces in  
an effort to cut military spending. (SECRET NO

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Bangladesh*Aid Meeting*

2

The Western consortium is meeting this week to review the Bangladesh economy and to discuss the need for additional foreign aid.

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Bangladesh President Mujib, in anticipation of this meeting, acceded to recommendations of the International Monetary Fund and devalued the Bengalee currency by 37 percent on May 17. He fears the inflationary effects of the devaluation, but he is even more concerned about getting more aid. Foreign aid is indispensable. The Fund will probably now release some \$108 million that it has been withholding until Bangladesh made certain economic policy changes.

1

Mujib has responded to donor pressure by speeding the organization of a population control program. He has also intensified efforts to control smuggling, increase government purchases of domestic rice, and improve administrative procedures.

112

Even without this formal consultation, President Mujib would have had to take account of donor advice. Aid disbursements of over \$900 million in fiscal 1975 provided almost three times as much foreign exchange as Bangladesh earned from exports. Aid contributes about as much to the government budget as do taxes, which themselves are derived in part from levies on imports financed by aid.

The Soviet Union, India, Iraq, and Abu Dhabi are important donors to Bangladesh that do not participate in the consortium. (CONFIDENTIAL)

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